

APPENDIX 19

ANALYSIS OF CELSIUS NETWORK (US)'S NET ASSETS (LIABILITIES)

APPENDIX 19
ANALYSIS OF CELSIUS NETWORK (US)'S NET ASSETS (LIABILITIES)

Celsius Network (US)
Analysis of Celsius Network (US)'s Net Assets (Liabilities)¹
(in \$000's)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Cash & Cash Equivalent	\$ 30,401	\$ 251,492	\$ 208,353	\$ 149,129
Cryptocurrency Holdings ²	13,001,310	13,916,463	15,165,869	4,155,376
CEL Treasury	1,364,178	1,227,339	908,941	178,525
Non-Treasury CEL in excess of CEL Liabilities ²	168,756	227,161	193,076	63,243
Retail & Institutional Loans	2,929,615	3,585,929	3,482,650	507,645
Posted Collaterals	3,031,552	2,225,241	1,072,084	134,190
Inventory	-	31	31	31
Other Receivables	1,128,616	1,382,738	1,023,430	430,155
Investments	437,280	445,927	84,700	31,601
Total Current Assets	\$ 22,091,708	\$ 23,262,322	\$ 22,139,134	\$ 5,649,895
Fixed Assets	\$ 50,495	\$ 77,269	\$ 243,102	\$ 294,873
Long-Term Collateral Receivable	-	-	-	-
Total Non-Current Assets	\$ 50,495	\$ 77,269	\$ 243,102	\$ 294,873
Total Assets	\$ 22,142,203	\$ 23,339,591	\$ 22,382,236	\$ 5,944,768
Account Payables	\$ 2,072	\$ 1,934	\$ 3,254	\$ 18,087
Other Payables	9,714	132,959	134,657	117,450
User Liabilities	13,244,181	14,860,166	14,280,646	4,385,692
Collaterals Payable	3,984,490	5,003,071	4,862,999	959,579
Institutional & DeFi Borrowing	4,168,889	3,053,833	3,035,233	1,000,334
Total Current Liabilities	\$ 21,409,345	\$ 23,051,963	\$ 22,316,789	\$ 6,481,142
Long-Term Payable ³	349,250	395,902	395,902	395,902
Total Liabilities	\$ 21,758,595	\$ 23,447,865	\$ 22,712,691	\$ 6,877,044
Net Equity / (Deficit)	\$ 383,608	\$ (108,274)	\$ (330,455)	\$ (932,276)
<u>Adjustments to Net Equity / (Deficits)⁴</u>				
Eliminate Value Attributed to CEL Treasury	\$ (1,364,178)	\$ (1,227,339)	\$ (908,941)	\$ (178,525)
Eliminate Value Attributed to Non-Treasury CEL in excess of CEL Liabilities	(168,756)	(227,161)	(193,076)	(63,243)
Total Adjustments to Value of CEL	\$ (1,532,934)	\$ (1,454,500)	\$ (1,102,017)	\$ (241,768)
<u>Adjustments to Eliminate Book Value of Investments not Associated with Celsius Network (US):</u>				
Book Value of Celsius Mining LLC, net of Intercompany	\$ (297,643)	\$ (446,733)	\$ (608,829)	\$ (622,355)
Book Value of GK8 Ltd., net of Intercompany	-	(4,044)	(2,539)	(1,395)
Book Value of Other Investments (Incl. Grayscale Trust)	(437,280)	(445,927)	(84,700)	(31,601)
	\$ (734,923)	\$ (896,704)	\$ (696,069)	\$ (655,350)
Eliminate Deferred Tax Liability ³	349,250	352,006	352,006	352,006
Adjusted Net Equity / (Deficit)	\$ (1,535,000)	\$ (2,107,472)	\$ (1,776,535)	\$ (1,477,388)

ANALYSIS OF CELSIUS NETWORK (US)'S NET ASSETS (LIABILITIES)**Celsius Network (US)****Analysis of Celsius Network (US)'s Net Assets (Liabilities)¹**
(in \$000's)Notes

- 1 Basis of Presentation - Celsius entities maintain accounting records using QuickBooks which is an accounting software package that is geared mainly toward small and medium-sized businesses. The following Celsius entities' records are maintained within QuickBooks: Celsius Pty Ltd., Celsius EU UAB, Celsius KeyFi LLC, Celsius Lending LLC, Celsius Mining LLC, Celsius Network (Europe), Celsius Network (Gibraltar) Ltd., Celsius Network Inc., Celsius Network LLC, Celsius Network Ltd. (Israel), Celsius Network Ltd. (UK), Celsius Network Lending LLC, Celsius Services CY LTD, Celsius US Holdings LLC, and GK8 Ltd.

Celsius began presenting balance sheets and income statements on a consolidated basis in the second quarter of 2021. Celsius provided summary consolidated financial statements for Q2 2021 through Q2 2022 but was unable to provide the contemporaneously prepared consolidation files associated with the summary financial statements. Rather, Celsius retroactively prepared consolidation files from its historical accounting records. Huron prepared the financial statements used in this analysis from the QuickBooks records for each of the Celsius entities and consolidated them consistent with the procedures used by Celsius. In certain instances, the financial statements prepared by Huron differ from the summary financial statements prepared by Celsius, primarily due to the timing of adjusting entries booked by Celsius. For example, several entries in the QuickBooks general ledger are dated as of the last day of the respective quarters but were not included in the balances on Celsius's summary financial statements. The adjusting entities are included within the balances presented herein, and may not entirely relate to activity within the same quarter.

- 2 Cryptocurrency Holdings includes non-treasury holdings of cryptocurrency assets, including CEL tokens. For presentation purposes, non-Treasury CEL in excess of customer obligations payable in CEL has been identified separately.
- 3 The Long-Term Payable balance consists primarily of deferred tax liabilities recorded on the books of Celsius entities other than Celsius Network LLC. Celsius is reviewing the tax liability and it is subject to revision.
- 4 For the purpose of estimating Celsius Network (US)'s solvency, Huron adjusted Celsius's consolidated balance sheet to eliminate value attributable to assets not attributable to Celsius Network (US). These assets include the value attributed to CEL Treasury, non-CEL treasury in excess of CEL liabilities, the book value of GK8 and the mining business, and other investments not attributable to Celsius Network (US). The tax reserve, which is primarily on the books of Celsius Network (UK), was also eliminated.